GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:186
ANSWERED ON:01.03.2002
REQUEST FOR ADDITIONAL MARKET BORROWING
GEORGE EDEN

Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Kerala has requested the Union Government for allowing additional market borrowing; and

(b) if so, the details with the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): Government of Kerala had requested for additional market borrowings of Rs.300 crores to finance the requirements for meeting development expenditure. As per the recommendations of the Eleventh Finance Commission, additional borrowings to any State over and above the approved borrowing under the Plan is linked with the Medium Term Fiscal Reform Programme (MTFRP). On receipt of the requisite material relating to MTFRP from the StateGovernment, the same was examined and considered in this Ministry. An agreement between the Government of India and Government ofKerala was accordingly finalised. Based on the MTFRP of the State Government, additional allocation of Rs.200 crores for MarketBorrowing Programme has been allowed to the Government of Kerala for the year 2001-02.